

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
IN SEATTLE

UNITED STATES OF AMERICA,)	
)	NO. CR09-160JLR
Plaintiff,)	
)	
vs.)	
)	
WILLIAM S. POFF,)	
)	
Defendant.)	
)	

TRIAL

BEFORE THE HONORABLE JAMES L. ROBART

March 17, 2010

APPEARANCES:

Sarah Vogel
Michael Scoville
Assistant United States Attorneys
Representing the Plaintiff

William S. Poff
Pro Se
Representing the Defendant

Howard Ratner
Standby Counsel
Attorney at Law

1 THE COURT: We have resumed this morning for purposes of
2 hearing closing argument in this matter. Anything to take up on
3 behalf of the government before we do so?

4 MS. VOGEL: No, your Honor.

5 THE COURT: Mr. Poff, anything to take up on behalf of
6 the defense?

7 THE DEFENDANT: Nothing, your Honor.

8 THE COURT: Then we will hear from the government first,
9 please. Mr. Poff, do you remember my description of how this is
10 going to go today? They get the first word, the last word, you
11 get sandwiched in the middle.

12 THE DEFENDANT: Yes, sir, I remember your instructions.

13 MS. VOGEL: May it please the Court, counsel, Mr. Poff.
14 Your Honor, for a period of at least four years, beginning in
15 2004 until 2008, this defendant, Mr. Poff, and his former wife,
16 Alexis Ikilikyan, made a very good living investing in real
17 estate. Only they turned the whole concept upside down. Instead
18 of investing their own money and buying properties, with the hope
19 that it might appreciate in value, and might earn a profit when
20 resold eventually over time, they figured out a way to make the
21 profit up front at the time of purchase, eliminating both the
22 wait and the risk. Using their method, they got the properties
23 and they walked away with cash, cash from the closings.

24 How did they do it? Put simply, they lied. To obtain the
25 properties, the defendant lied on loan applications. Every

1 single loan application we have seen in this case, in fact, had
2 at least one material false statement, and most had multiple
3 false statements. With these lies, the defendant intentionally
4 deceived the lenders into loaning money that they never would
5 have loaned had they not been lied to, loans to borrowers who
6 didn't qualify financially, loans that fell well outside the
7 lender's permissible loan parameters. In this manner, the
8 defendant and his wife were able to bypass the lenders'
9 underwriting guidelines and fraudulently amass a portfolio of
10 more than two dozen investment properties.

11 It didn't stop there, because owning all these properties
12 meant making very large mortgage payments, way more than the
13 properties could generate in rent. So in addition to lying to
14 buy the properties in the first place, the defendant lied some
15 more. He and his wife came up with a very clever scheme to get
16 the banks and other lenders to lend them more money for their
17 purchases than they were really paying for the properties,
18 generating a surplus in escrow following the funding. And we are
19 not talking about a few thousand dollars to help pay for closing
20 costs, we are talking tens of thousands to hundreds of thousands
21 of dollars, money that was supposed to go to buy the properties,
22 and instead went straight to the defendant and his wife.

23 How did they pull this off? Once again, they lied. They
24 intentionally and consistently made false statements to the
25 lenders about the details of the transaction. These false

1 statements, including inflated purchase prices and concealed
2 subordinate financing, were designed specifically to deceive the
3 lenders and the private sellers into thinking they were lending
4 no more than a combined 80 or 90 or even 100 percent of the
5 market value of the property, when in fact, unbeknownst to them,
6 those lenders were deceived by the defendant into loaning a
7 combined amount of funds worth well over 100 percent of the
8 purchase price. And those lies worked. All that extra money
9 came into Great American Escrow, and was disbursed out to the
10 benefit of the defendant and his wife.

11 Of course, that disbursement process required that they tell
12 even more lies, because lenders and sellers had a habit of
13 keeping track of where their money went. They actually read
14 those HUD-1 settlement statements. And, of course, they couldn't
15 be told the truth about where the funds came from or didn't come
16 from, as the case may be, and how the proceeds were disbursed.

17 So the HUD-1 settlement statements had to be doctored too,
18 they had to be sanitized so it looked like the defendant and his
19 wife were not actually getting money they were getting. To that
20 end they recruited Micki Thompson into the scheme. With her
21 participation they could easily represent the deposits had been
22 made when they hadn't, and that the money had gone to someone
23 else besides themselves. All Micki Thompson needed was a fake
24 repair invoice or a false promissory note to stick in her escrow
25 file at Great American Escrow, and they were home free.

1 Home free, that is, until the end of 2007, beginning of 2008
2 when the credit market tightened, property values dropped, the
3 defendant and his wife couldn't get any more loans to cover the
4 cost of the mortgages they already had, and they stopped making
5 payments. The defendant left for Michigan and the whole scheme
6 came crashing down to the ground, leaving a trail of debt in its
7 wake in the form of bank foreclosures and defaulting private
8 loans secured with worthless deeds of trust.

9 The eight property transactions listed in Exhibit 1 that we
10 focused on throughout this trial are representative examples of
11 how the defendant and his criminal associates employed five
12 deceptive devices in varying combination to maximize their
13 property.

14 These five deceptive devices, as we heard in Mr. Scoville's
15 opening statement, are the use of straw buyers, lies on loan
16 applications and supporting documents and verifications, inflated
17 sales prices, undisclosed seller financing and false HUD-1
18 settlement statements. The evidence we heard establishes the
19 defendant employed at least one, and usually multiple, of these
20 deceptive devices in connection with the purchase of each of the
21 eight properties in Exhibit 1.

22 We also heard representatives of each of the lenders involved
23 in these eight properties explain how and why every one of these
24 five deceptive devices, these categories of false statements,
25 were material to their underwriting decisions, and their

1 decisions to fund these loans. In fact, every lender
2 representative testified that if they had known the truth they
3 would not have loaned the same amount of money, would not have
4 loaned it at the same interest rate or, in many instances, would
5 not have loaned the money at all.

6 So what is the evidence that we heard that establishes that
7 this defendant agreed and conspired with at least one other
8 person to commit bank and wire fraud, proving that he committed
9 Count 1? Well, first and most comprehensive, we heard from the
10 defendant's former partner, his co-conspirator in this fraud
11 scheme, Alexis Ikilikyan. She testified and outlined her
12 agreements with the defendant from roughly 2004 to 2008, the
13 object of which was to buy as many properties as they could, with
14 little or no money down, and pull as much money out for
15 themselves as possible.

16 She outlined exactly how the defendant and she knowingly made
17 false statements in their purchases and in the loan applications,
18 and how they lied to cover it up. She told us that she and the
19 defendant were partners in the scheme. She was the real estate
20 agent and he was the loan officer. She told us how they went
21 looking for properties that were specifically attractive because
22 they were likely to bring them cash at closing, and how they
23 deceived the lenders and the sellers so they could get as much
24 out as possible from each purchase.

25 But, your Honor, we don't have to take Ms. Ikilikyan's word

1 for it, because her testimony about the defendant's agreements,
2 the defendant's conspiracy, and his role in these fraud schemes,
3 was corroborated by other ample evidence.

4 First, it was corroborated by the testimony from the mortgage
5 brokers and the lender representatives who worked directly with
6 the defendant when he was obtaining these eight loans. We heard
7 from Dan Truini, the owner of Victory Home Mortgage. The first
8 few transactions on property number eight involved Victory Home
9 Mortgage submitted loans. He told us that the defendant was
10 doing loans when he left the United States Marine Corps.

11 Mr. Truini confirmed that it was the defendant who submitted the
12 loan paperwork that was processed through Victory Home Mortgage.

13 Senath Sands told us when she worked at Ownit Mortgage
14 Solutions it was the defendant himself that she talked to, that
15 she went to when she had questions about the loans that had been
16 submitted to Ownit. Your Honor, the first five properties on our
17 chart all involve loans from Ownit. Indeed the defendant's name
18 is listed on many of the submissions forms, which is consistent
19 with her recollection. I think the figure she used was, over
20 90 percent of the time it was the defendant that she talked to
21 about these loans. And we even saw e-mails from the defendant to
22 Ms. Sands forwarding documents specifically to fulfill loan
23 conditions.

24 We also heard from Emil Anderson from America One Finance.
25 The last few transactions were processed through America One

1 Finance. Mr. Anderson told us that the defendant, Mr. Poff
2 himself, submitted applications and other loan documents to
3 Mr. Anderson at America One Finance, including in the form of
4 several e-mails that we saw. Mr. Anderson testified that he
5 never worked on a loan that was processed through America One
6 Finance, submitted by this couple, without the defendant being
7 involved.

8 Ms. Ikilikyan's testimony is also corroborated by the
9 testimony of the straw buyers. Jim Thomson and his son Tim
10 Thomson confirmed that Tim Thomson was recruited by both the
11 defendant and his wife, and that Tim Thomson's agreement to be a
12 straw buyer was not with Alexis Ikilikyan alone, it was with them
13 both.

14 The other straw buyer for three of these transactions,
15 Ms. Harutyunyan, confirmed the same. She testified that the
16 defendant and her daughter worked as partners in their real
17 estate business, and that her agreement to allow them to use her
18 identity to help their business was with them both.

19 Ms. Ikilikyan's testimony was also corroborated by the
20 sellers, and the seller's realtors. Some of them remembered that
21 it was the defendant who actually handled the closing paperwork
22 when they closed their transaction. All of them that extended
23 seller financing testified that they had been deceived in that
24 process about their seller carrybacks through the use of at least
25 one deceptive seller finance agreement. Two witnesses testified

1 it was drafted by the defendant.

2 Ms. Ikilikyan's testimony was also corroborated by the
3 testimony of Micki Thompson, who admitted that she conspired with
4 both of them to deceive the lenders and hide the money trail.

5 Ms. Ikilikyan's testimony was corroborated by the paperwork,
6 the loan paperwork showing the defendant's name, the deeds
7 showing that the defendant quitclaimed his interest in the
8 property at the time of closing back to Ms. Ikilikyan, when
9 applicable, e-mails from the defendant to the lenders, to the
10 mortgage representatives, initiating loans, including 1003s or
11 fulfilling conditions.

12 We saw paperwork in the form of State of Washington business
13 records, the Department of Licensing and Department of Revenue
14 records for the fictitious business Hay Computer Networking and
15 Consulting used in connection with three of the purchases on the
16 chart, and Tim Thomson Landscaping. Both fictitious businesses.
17 Both listed the defendant's e-mail associated with it, and one
18 with the defendant's name on the application.

19 And, finally, your Honor, we saw financial records showing in
20 each and every case the net proceeds went right from escrow back
21 to the benefit of the defendant and his wife. For three and a
22 half years, all shared living expenses for this married couple
23 were paid from the accounts in Ms. Ikilikyan's name that all the
24 fraud proceeds went into, over \$1.2 million deposited from Great
25 American Escrow alone.

1 In contrast, during that same three-and-a-half-year time
2 period, the defendant's bank account paid no living expenses
3 other than miscellaneous coffee and restaurant expenses, and had
4 a total of only \$10,000 deposited into it.

5 Your Honor, whether the defendant signed his name as William
6 S. Poff, William Poff, or Bill Poff, or whether he sat at that
7 table at Great American Escrow during one of these heated
8 discussions with Ms. Ikilikyan and Ms. Thompson, and told someone
9 else to sign his name for him, this independent testimony and the
10 independent evidence from people who have no real interest in the
11 outcome of this trial -- Senath Sands doesn't care about the
12 outcome of this trial. Emil Anderson doesn't care about the
13 outcome of this trial. They testified that the defendant himself
14 prepared the loan documents, submitted them, and was involved in
15 every detail of these fraudulent loan transactions.

16 This evidence establishes beyond a reasonable doubt the
17 defendant conspired with Alexis Ikilikyan, Micki Thompson and
18 others to commit bank and wire fraud, and that he is guilty of
19 Count 1.

20 I now want to talk more specifically about the eight property
21 transactions on our chart that we focused on throughout this
22 trial. I want to clarify the substantive counts arising from
23 each of the property transactions and highlight just a couple of
24 additional examples of specific evidence, in addition to what I
25 have just outlined, establishing beyond a reasonable doubt that

1 the defendant, Mr. Poff, committed each of the alleged
2 substantive crimes, as well as the money laundering conspiracy.
3 Of course, the activities taken in connection with each of the
4 substantive counts also constitutes overt acts committed in
5 furtherance of the two conspiracies.

6 So we will start with property number one. In connection
7 with property number one, which is the purchase in
8 Ms. Ikilikyan's name from Marijane Anderson of the three Puyallup
9 duplexes, the defendant is charged with three substantive counts
10 of wire fraud, counts 11, 12 and 13. These three counts arise
11 from -- I'm sorry. These three substantive counts correspond to
12 the three mortgages that the defendant and his criminal
13 associates obtained from Ownit Mortgage Solutions, that they
14 deceived Ownit into lending, the proceeds of which were wire
15 transferred from Ownit interstate for the benefit of the
16 defendant and his associates.

17 Count 11 arises from the purchase of the top duplex and
18 involves this wire transfer. Count 12 arises from the middle
19 duplex and involves this wire transfer. And Count 13, wire
20 fraud, involves the bottom duplex and involves this wire
21 transfer.

22 The fraud involved in property transaction number one
23 included lies on loan applications and supporting documents,
24 specifically having to do with Ms. Ikilikyan's employment at
25 Fidelis Enterprises, which she testified didn't exist, and

1 income.

2 The fraud in this transaction also involved undisclosed
3 seller financing, in the form of \$65,000 in undisclosed seller
4 proceeds in connection with each duplex, negotiated, as we saw
5 from the paperwork, well before the loan applications were ever
6 submitted to Ownit. But, of course, they didn't mention that.

7 And we also had the false HUD-1s, hiding the seller
8 carrybacks, and hiding the fact that the down payment didn't
9 actually come from the buyer in two of the three duplexes, rather
10 the first seller carryback was split in order to fund the down
11 payments on the other two.

12 So was Mr. Poff involved in this fraud surrounding the
13 purchase of property number one? Well, in addition to the
14 testimony from Ms. Ikilikyan and Ms. Thompson, and from Senath
15 Sands at Ownit, and from Dan Truini at Victory Home Mortgage,
16 that I just outlined, we saw specifically Exhibit 29, an e-mail
17 from the defendant to Senath Sands specifically relating to this
18 loan, fulfilling a lender condition for bank statements.

19 We also heard Sarah Garner's testimony. Sarah Garner,
20 remember, was the daughter of Marijane Anderson, who held power
21 of attorney and handled the negotiations for the transaction.
22 Ms. Garner testified that the defendant himself handled the
23 closing paperwork, and was personally involved in the
24 transaction, and that she had been completely deceived into
25 lending 20 percent of the purchase price, because she believed

1 the buyer needed that in order to close the deal. She also
2 testified about her discovery of the two conflicting HUD-1s, one
3 showing the seller carryback, which she expected, and the one
4 that had been given to her real estate agent, showing a payment
5 to PDQ Construction.

6 Micki Thompson testified that this PDQ Construction
7 contracting invoice that was found in the Great American Escrow
8 file had indeed come directly from the defendant, and even
9 remembered the conversation that she had with the defendant about
10 what PDQ meant. And, remember, the address at the top of this
11 invoice is actually the address that the defendant and his wife
12 lived at with Ms. Ikilikyan's mother in Bellevue.

13 The financial evidence in this case, your Honor, the surplus
14 that came out of the two seller carrybacks that didn't get plowed
15 back into down payments, those funds went right into the
16 defendant and Ms. Ikilikyan's Washington Mutual account.

17 All of this evidence establishes that the defendant and his
18 associates deceived Ownit into lending this money, and that in
19 addition to the conspiracy in Count 1, he is guilty of wire fraud
20 as charged in counts 11, 12 and 13.

21 Turning to property transaction number two. In connection
22 with this transaction the defendant is charged with one
23 substantive count of wire fraud, in addition to the conspiracy in
24 Count 1. That's Count 15. And Count 15 corresponds to the
25 purchase loan that the defendant and his associates deceived

1 Ownit Mortgage Solutions into lending, the proceeds of which were
2 then wire transferred interstate from Ownit to Great American
3 Escrow for the benefit of the defendant. That's these two wire
4 transfers right here.

5 This particular property transaction involved four different
6 types of deceptive devices, the straw buyer Tim Thomson, the lies
7 in the loan applications up here about Mr. Thompson's intent to
8 occupy the property, about his employment with Tim Thomson
9 Landscaping, and about his income of over \$9,000 gross per month.
10 This transaction also involved undisclosed seller financing, that
11 is, the \$61,589 seller-carried note extended by Mr. Andriolo.
12 And it involved false statements in the HUD-1.

13 Specifically right here, a transfer -- a deduction from the
14 seller proceeds that was marked "transfer to new purchase
15 TransNation Escrow," another escrow company altogether. In fact,
16 what we see is that same amount of money was actually transferred
17 by Micki Thompson to a third escrow file, and then wire
18 transferred right back to the account in the name of
19 Ms. Ikilikyan.

20 So what is some additional specific evidence of Mr. Poff's
21 participation in this fraud, in addition to what I have already
22 mentioned? Well, in this one we saw the Ownit business records
23 showing this defendant submitted the loan request for a hundred
24 percent financing, despite the preexisting agreement with
25 Mr. Andriolo for a carryback.

1 We saw in Exhibit 223 another e-mail from the defendant to
2 Senath Sands for this particular loan, confirming not only that
3 he was the loan officer on this one, but talking specifically
4 about the condition on the 1003 not being marked "owner occupied"
5 is wrong. The defendant is representing to Ms. Sands that Tim
6 Thomson intended to reside in this property, which of course was
7 never the case.

8 We know it was never the case because Tim Thomson testified
9 he had a meeting prior to the purchase of this property with
10 Ms. Ikilikyan and the defendant, at which they hammered out the
11 details of this straw buyer agreement. And he testified that it
12 was very clear from the beginning that he never intended to
13 occupy the property. He lived in Korea. The defendant and his
14 wife were going to be in charge of that property.

15 In fact, Tim Thomson testified that he gave the defendant his
16 Social Security number, his rank and his pay grade information,
17 so the defendant knew that Mr. Thomson earned no more than \$2,000
18 per month. And yet, as the loan officer on this transaction, he
19 submitted to Senath Sands at Ownit Mortgage Solutions the 1003
20 that we saw with all those false claims as to Tim Thomson's
21 financing qualifications. Jim Thomson testified that the
22 defendant admitted to him that the defendant had created Tim
23 Thomson Landscaping in order to qualify his son for loans.

24 We also saw in Exhibit 236 the Tim Thomson Landscaping master
25 business application. And if you look at page 2, you can see

1 that it was created just a few days before closing on this
2 transaction, yet it was backdated almost two years to meet the
3 Ownit self-employment business requirements. On the next page of
4 236 you will see the defendant's name is listed as the preparer
5 of this document. Tim Thomson, of course, confirms he never
6 heard of it until after the fact.

7 And, finally, on this transaction we heard from Mr. Andriolo,
8 the trustee for the seller of the property, that it was the
9 defendant and his wife who handled the paperwork. They even
10 offered to drive all the way to Port Angeles to help him sign
11 that paperwork; that the defendant represented himself to be a
12 mortgage lender; and, like Sarah Garner, he never agreed to
13 remove the seller carryback from the purchase and sale.

14 Finally, we have the financial evidence in this case, which
15 once again proves that that surplus, roughly equal to the
16 undisclosed seller carryback, went straight back to the benefit
17 of the defendant and his wife.

18 All of this, your Honor, establishes that the defendant and
19 his associates deceived Ownit into lending this money, and that
20 in addition to the conspiracy charged in Count 1, the defendant
21 is guilty of wire fraud as charged in Count 15.

22 Moving to property number three. In connection with this
23 real estate transaction, the defendant is charged with one
24 substantive count, and that is wire fraud, as alleged in
25 Count 20.

1 Now, this transaction involved the purchase by Armenuhi
2 Harutyunyan from Sean Warren. The fraud involved in this
3 transaction included the straw buyer, Ms. Harutyunyan, lies in
4 the loan applications as to Ms. Harutyunyan's financial
5 qualifications, including this Hay Computer and Consulting
6 business, and \$37,000 a month in income, as well as the false
7 HUD-1 settlement statements. Another example of a deduction from
8 seller proceeds supposedly to be transferred to another escrow
9 company for another purchase, when in fact that money went right
10 back to the defendant and his wife.

11 Specific evidence establishing the defendant's participation
12 in this deception, in addition to what I have already mentioned,
13 includes yet another e-mail from the defendant to Senath Sands at
14 Ownit in connection with this particular transaction, this one
15 forwarding the fake lease agreements and requesting a doc order
16 form.

17 We also heard Ms. Harutyunyan's testimony that she agreed to
18 be a straw buyer for the defendant and for her daughter, and that
19 the defendant -- when she found out about Hay Computer Networking
20 and Consulting after the fact, the defendant told her it was part
21 of the deal.

22 In addition, the Department of Revenue records for Hay
23 Computer Networking and Consulting recorded contact from a person
24 who identified himself as Bill, the son-in-law of the owner,
25 Ms. Harutyunyan. This person contacted the Department of Revenue

1 specifically about the opening date of the business, which, like
2 Tim Thomson Landscaping, had been two years backdated.

3 And, your Honor, this particular transaction involved -- is
4 the one that involved that fake \$98,000 cashier's check. Now,
5 Ms. Ikilikyan testified she remembered Bill preparing this fake
6 check. Barbara Tainter testified this is a forgery. And Micki
7 Thompson testified she remembered getting it from the defendant.
8 And, your Honor, after all that, it is no coincidence that if you
9 look at the final HUD-1 sent to Ownit, and you zoom in on the
10 middle on the deposits, it shows a fake \$98,000 seller deposit
11 that never existed.

12 Once again, the financial records from this case show that
13 that surplus, this time in an amount of over \$100,000, went
14 straight to the benefit of the defendant and his wife. All of
15 this evidence establishes that the defendant and his associates
16 deceived Ownit into lending this money, which was wire
17 transferred interstate, and that in addition to the conspiracy in
18 Count 1, he is guilty of wire fraud as charged in Count 20.

19 Turning to property number four. This purchase involved,
20 again, Armenuhi Harutyunyan as the buyer, buying a property from
21 Lionel Jenkins.

22 In connection with this property, the defendant is charged
23 with three substantive counts, in addition to the two
24 conspiracies. He is charged with one count of wire fraud. And
25 this corresponds to the purchase loan that the defendant and his

1 associates deceived Ownit Mortgage Solutions into lending, the
2 proceeds of which were, again, wire transferred interstate from
3 Ownit to Great American Escrow for the benefit of the defendant.
4 This wire transfer right here.

5 Also in connection with this transaction, the defendant is
6 charged with two counts of money laundering, Count 36 and
7 Count 54. Both of these counts center around this transaction
8 right here. This is the financial transaction involving \$62,000,
9 which were profits from the purchase of property number three.
10 That \$62,000 was issued in the form of a check, and then
11 redeposited into Great American Escrow to be applied towards the
12 purchase of property number four.

13 And as I will cover in a moment, property number four -- the
14 purchased property number four, also involved fraud. Count 54
15 centers around that same \$62,000 financial transaction, and
16 charges the defendant with knowingly conducting a monetary
17 transaction involving those same proceeds in an amount of over
18 \$10,000. And I will come back to the wire fraud transactions in
19 more detail in a moment.

20 First, what was the fraud involved in this property
21 transaction? This one involved a straw buyer, Ms. Harutyunyan,
22 again. It involved lies in the loan application, the same lies
23 about Hay Computer Networking and Consulting. It involved
24 undisclosed seller financing, that is the \$58,000 note that had
25 been a preexisting lien that the seller owned, which was then

1 renegotiated with Ms. Harutyunyan, and was concealed from the
2 lender. And it involved the false HUD-1 statements,
3 representing, among other things, that Ms. Bourgeois' note had
4 been paid off, when it hadn't. Instead, that money went back to
5 the defendant and his wife.

6 Specific proof of the defendant's participation in this
7 deception, in addition to what I have already mentioned, is that,
8 again, this is Ms. Harutyunyan, we have the same business created
9 by the defendant, Hay Computer Networking and Consulting, the
10 same straw buyer with the same agreement, with both the defendant
11 and her daughter. This is yet another loan submission by the
12 defendant to Senath Sands at Ownit. And Ms. Sands was very
13 clear, the defendant was the person she dealt with the vast
14 majority of the time for all of the loans submitted by the
15 couple.

16 This, your Honor, is the transaction that involved that
17 \$20,000 overpayment discussed over here; \$20,000 more than was
18 necessary was paid by Great American Escrow to pay off the
19 seller's preexisting mortgage. It was rebated or refunded back
20 to Great American Escrow when the error was discovered. Well, in
21 a normal escrow universe you would think that that money would go
22 to the seller. It was his mortgage that got overpaid. But in
23 this escrow universe created by the defendant and Ms. Ikilikyan
24 and Micki Thompson, instead, that money got wired directly from
25 Great American Escrow to Ms. Harutyunyan's bank account. Micki

1 Thompson testified that the defendant was involved in the
2 decision to share half that money with her, which Ms. Ikilikyan
3 confirmed.

4 And finally, your Honor, we have the HUD-1 settlement
5 statement. This is the final page of it. As Micki Thompson
6 testified, following closing, she and the defendant would sit
7 down and argue about what these HUDs should say.

8 This one says that Elaine Bourgeois, presumably Emily
9 Bourgeois, had been paid \$59,975.80 to pay off that preexisting
10 note, when in fact that money did not go to Emily Bourgeois, it
11 went to the defendant and his wife.

12 All of this evidence establishes that the defendant and his
13 associates, again, deceived Ownit Mortgage Solutions into lending
14 this money, and that in addition to the conspiracy, he is guilty
15 of the wire fraud charged in Count 1.

16 Now, this property transaction also involves the \$62,000
17 money laundering financial transaction that I mentioned earlier.
18 And this slide details that financial transaction. \$62,000,
19 which represented net profits from the purchase by
20 Ms. Harutyunyan of property number three, was issued in the form
21 of a check and then redeposited back to Great American Escrow and
22 applied towards the purchase of property number four, the
23 property that I have just covered. This constitutes the use of
24 proceeds in a financial transaction to promote new fraud, to
25 promote further fraud, as alleged in Count 36. It also

1 constitutes spending of more than \$10,000, knowing they are
2 proceeds of fraud, and constitutes a spending violation or a 1957
3 violation charged in Count 54.

4 Your Honor, the items underlying that \$62,000 financial
5 transaction are found in Exhibit 915.

6 Turning to property number five. This is the purchase by
7 Ms. Ikilikyan of the Yelm Plantation property from
8 Mr. and Mrs. Slopak for \$1.1 million. In connection with this
9 property transaction, the defendant is charged with eight
10 substantive counts, in addition to both conspiracies.

11 First, the defendant is charged with Count 23, wire fraud.
12 Again, this wire fraud count corresponds to the two purchase
13 loans that the defendant and his associates deceived Ownit
14 Mortgage Solutions into lending, the proceeds of which were wire
15 transferred interstate from Ownit Mortgage Solutions to Great
16 American Escrow for the benefit of the defendant. The wire
17 transfers that are highlighted, the arrow on our chart, that is
18 Count 23.

19 In addition, there are seven counts of money laundering
20 associated with this property transaction, each of which involve
21 applying profits from other fraudulently obtained properties
22 towards the purchase of this property. And I will go through
23 each of those in a moment.

24 First, what was the fraud that was involved in this
25 transaction? This one involved lies on loan applications

1 specifically, and most blatantly, about Ms. Ikilikyan's intent to
2 occupy the property, but also about her income and her assets.
3 In addition, this transaction involved false HUD-1 settlement
4 statements. For example, the source of the down payments, which
5 were represented on the settlement statement to be the proceeds
6 from the sale of a property located at 3821 South 345th Street,
7 where actually the combined proceeds from various other
8 properties.

9 The proof of the defendant's participation in this particular
10 property transaction comes in the form, again, of Exhibit 512.
11 This is another submission form by the defendant, listing the
12 defendant as the contact to Senath Sands at Ownit Mortgage
13 Solutions.

14 We also heard in this case, your Honor, from Linda Crocker.
15 Linda Crocker was the real estate agent representing the sellers
16 on this transaction. She testified that she remembered speaking
17 to the defendant, Mr. Poff, throughout this transaction, both in
18 person and on the phone. She remembered that the defendant told
19 her he was a mortgage broker. She remembered the defendant
20 encouraging the sellers, the Slopaks, to do the deal with an
21 inflated sales price, and offering to pay the excise tax on the
22 difference between the real purchase price of \$1.1 million and
23 the inflated reported sales price of 1.3 million.

24 And even Ms. Crocker, who represented the sellers, knew that
25 Ms. Ikilikyan didn't plan to live in the property. They told her

1 that they were buying the place to use as a church. Yet Ownit
2 Mortgage Solutions was told in the 1003 that this was to be her
3 primary residence. Micki Thompson confirmed the defendant,
4 Mr. Poff, was present at the closing of this transaction, and
5 even Micki Thompson knew they never intended to live there.

6 All of this evidence establishes that the defendant and his
7 associates deceived Ownit into lending this money, and that in
8 addition to this conspiracy in Count 1, they are guilty of wire
9 fraud. He is guilty of wire fraud as charged in Count 23.

10 Now, let's look in a little more detail at the money
11 laundering transactions arising from this property. The first
12 involves this \$38,658 check. This check was issued as part of
13 the net profits from the purchase by Ms. Harutyunyan of property
14 number three. It was redeposited into Great American Escrow's
15 Key Bank account and applied toward the purchase of property
16 number five, the property I have just discussed.

17 This \$38,658 represents proceeds from the fraudulent purchase
18 of property three, which was used to promote the fraudulent
19 purchase of property number five, constituting promotion money
20 laundering as charged in Count 34. The same financial
21 transaction also involved the knowing transfer of \$10,000 in
22 fraud proceeds, and constitutes a spending or 1957 violation as
23 charged in Count 57.

24 Also in connection with the purchase of this property, we
25 have the \$41,447 check. This also represents proceeds from the

1 purchase of property from a fraudulently obtained property, and
2 that is property number four. This check represented net profits
3 from Ms. Harutyunyan's purchase of property number four, which
4 she bought from Mr. Jenkins, that we just covered. The check was
5 issued and then redeposited into Great American Escrow's Key Bank
6 account, and applied by the defendant and his wife towards
7 Ms. Ikilikyan's purchase of property number five, the Yelm
8 property, the one we just discussed. Hence, this financial
9 transaction constitutes the use of proceeds to promote new and
10 further fraud, a violation of money laundering as charged in
11 Count 41.

12 And because the amount of proceeds involved in this
13 transaction exceeds \$10,000, it also constitutes the transfer of
14 funds -- or a monetary transaction involving the transfer of
15 funds representing proceeds in an amount of more than \$10,000, as
16 charged in Count 58.

17 We have a couple of additional money laundering counts that
18 arise from property number five as well. The \$12,025 check was a
19 commission check that was cut after funding property number five.
20 It represents the commission paid to U.S. Realty and Investments
21 from the fraudulently obtained purchases obtained after closing
22 on property number five. As we saw earlier, that check was
23 actually redeposited back into the Great American Escrow account,
24 and was credited towards the buyer deposit of \$120,000 that
25 supposedly had already been collected before the purchase

1 transaction.

2 The use of these proceeds to promote fraud constitutes
3 promotion money laundering, and hence a violation of Count 43,
4 because it involves more than \$10,000. Regardless of whether it
5 is promoting new fraud, it also constitutes a violation of the
6 1957 statute, that is, a monetary transaction involving fraud in
7 an amount of more than \$10,000, as charged in Count 60.

8 And, finally, your Honor, in the next slide we have the
9 details of the final money laundering count arising from property
10 number five. This is another commission check, this one in the
11 amount of \$9,974.61. This, again, was a commission paid
12 following funding as a profit from this purchase, which was then
13 redeposited and used essentially to cover up the fraud that the
14 down payment hadn't included the amount of money that it was
15 supposed to have.

16 Your Honor, the items supporting each of those money
17 laundering counts were introduced as Exhibit 920 during our
18 trial.

19 Turning now to property number six. In connection with
20 property number six, which was the purchase by Ms. Ikilikyan of
21 the Issaquah property from Mr. and Mrs. Hsu, the defendant is
22 charged with six substantive counts, in addition to the two
23 conspiracies.

24 The first is a count of bank fraud. This corresponds to the
25 second mortgage here, extended by National City Bank, which we

1 heard and saw evidence was an FDIC insured lender at that time.

2 The second is -- There is also two counts of wire fraud.
3 These correspond to the two mortgages, the first being the Green
4 Point Mortgage Funding loan for \$1,406,250, and the second being
5 the same National City Mortgage loan in the smaller amount, both
6 of which were wire transferred interstate for the benefit of the
7 defendant and his associates as a result of the fraud.

8 In addition, your Honor, this count gives rise to three
9 substantive money laundering counts, each of which involve the
10 application of profits from this property towards another
11 purchase, with the intent to conceal and disguise the ownership
12 of those proceeds and their illegal source.

13 So what was the fraud involved in this transaction? Well,
14 this one involved lies on loan applications, again,
15 misstatements -- false statements as to Ms. Ikilikyan's intent to
16 reside in the property, as well as her employment and her monthly
17 income.

18 It also involved an inflated purchase price. We heard
19 evidence from Ms. Ikilikyan, and we saw from the financial
20 analysis that the true purchase price was not \$2 million, as was
21 represented in the paperwork, and was told to the lenders, but in
22 fact it was only \$1.3 million.

23 And, your Honor, this transaction involved false HUD-1
24 settlement statements, specifically in this case showing a buyer
25 deposit of 401,105 that simply never existed.

1 The proof of the defendant's participation and intent to
2 deceive in connection with this specific transaction includes
3 Ms. Ikilikyan's testimony about the meeting at the bookstore.
4 Ms. Ikilikyan testified that she and the defendant met Joyce Hsu
5 at the bookstore after the first deal had fallen through, and
6 Ms. Hsu recontacted her. And she described this meeting where
7 the defendant and Ms. Ikilikyan offered alternatives to the
8 seller, Ms. Hsu, either seller financing or an inflated sales
9 price, either of which would allow the defendant and his wife to
10 walk away with cash. This is significant because it is
11 reminiscent of exactly what Linda Crocker described happened in
12 connection with the Yelm property, property number five, although
13 in that particular case the Slopak's were not persuaded to
14 participate in the fraud.

15 In connection with this transaction we also saw Exhibit 616.
16 This is the e-mail the defendant sent to Tony Reyes, and then
17 Tony Reyes forwarded to Emil Anderson. Attached to this e-mail,
18 if you recall, was the draft 1003 for the purchase of the
19 Issaquah property, property number six. This draft 1003 from the
20 defendant to Emil Anderson -- And Emil Anderson testified he
21 remembered getting this, and he remembered getting it from the
22 defendant.

23 This 1003 claims that the property will be Ms. Ikilikyan's
24 primary residence, and includes the same false information about
25 her employment and her income that shows up on the final 1003

1 submitted to the lenders. Except in the final 1003, America One
2 Finance actually toned down the income claims. Instead of
3 claiming \$100,000, as is listed on this draft 1003, the one that
4 was actually submitted to Green Point Funding, for example,
5 contained a lower figure. And, again, if you look at the
6 signature on the third page of this draft 1003 that the defendant
7 e-mailed, while not signed, as you would expect in an e-mail
8 document, it has the defendant's name and phone number on it.

9 We also heard in connection with this transaction Micki
10 Thompson's testimony about that fake promissory note,
11 Exhibit 629, and the fake Fidelis Enterprises invoice, which
12 Agent Burttt obtained from the seller, Ms. Hsu, both of which
13 Micki Thompson testified came to her directly from the defendant.

14 All of this evidence, along with the fact that once again the
15 surplus -- \$250,000 worth of surplus in this case, went directly
16 to the benefit of the defendant and his wife, establishes that
17 the defendant and his associates deceived Green Point Funding and
18 National City Bank into lending this money. In addition to the
19 conspiracy in Count 1, he is guilty of bank fraud as charged in
20 Count 3, and wire fraud as charged in Counts 25 and 26.

21 THE COURT: Counsel, let's go to Count 47 for a moment.
22 What is the underlying transaction?

23 MS. VOGEL: I am about to get there, your Honor.

24 THE COURT: All right.

25 MS. VOGEL: Looking at the money laundering transactions

1 then from this, we could look first at this \$120,000 transaction.
2 And this forms the basis for Counts 46 and 62. This is the
3 \$120,000 that was net profit from Ms. Ikilikyan's purchase of
4 this Issaquah property, but which was concealed by the fake
5 promissory note we just saw. The money, instead of going to the
6 seller, was wire transferred by Great American Escrow to
7 Ms. Harutyunyan's bank account. As Ms. Carnell testified, if you
8 followed that money, it went through a third account, and then
9 right back to the defendant's Washington Mutual general account.

10 The transfer of this \$120,000 in proceeds from property six
11 to Ms. Harutyunyan's account was clearly done to conceal
12 Ms. Ikilikyan's receipt of these proceeds, and to conceal the
13 illegal source of these proceeds, constituting a violation of
14 Count 46, concealment of money laundering. Because it also
15 involved more than \$10,000, it also constituted a violation of
16 Count 62.

17 THE COURT: Is it the government's position that merely
18 being the beneficiary of the funds is sufficient to support the
19 money laundering concealment?

20 MS. VOGEL: No, your Honor. It is the government's
21 position that providing the false promissory note and directing
22 that the false statements on the HUD-1, saying that the money was
23 going to be transferred to Ms. Harutyunyan in order to conceal
24 from the lender, that it was actually going to Ms. Ikilikyan, and
25 then having the money transferred to Ms. Harutyunyan, and then

1 transferring it from Ms. Harutyunyan back to Ms. Ikilikyan's
2 account through a third account, constitutes concealment and
3 money laundering.

4 THE COURT: I understand your theory.

5 MS. VOGEL: Looking at Count 47, the count that the
6 Court asked about, this count focuses in on the \$100,078 payment
7 representing proceeds from the purchase by Ms. Ikilikyan of this
8 Issaquah property.

9 Now, again, this payment was supposed to be made, if you look
10 at all the paperwork that was submitted to the lenders, to
11 Marquin House Jobs. Marquin House Jobs, we have heard, didn't
12 perform any work in connection with this property. But if you
13 look at all the paperwork, this was an inter-escrow transfer of
14 seller proceeds that should have gone to Ms. Hsu, which instead
15 went to Marquin House Jobs.

16 We know from looking at the financial trail that money didn't
17 go to Marquin House Jobs and it didn't go to Ms. Hsu. Instead,
18 it was transferred inter-escrow for the benefit of the defendant
19 and his wife for the purchase of property number seven. And it
20 involved -- it is over \$100,000 of profits from the purchase of
21 property six, which was used to promote the purchase of property
22 number seven, and which was done in a manner specifically
23 designed to conceal the fact that the money went to
24 Ms. Ikilikyan. And then if you look at the purchase documents
25 for property number seven, the money came from property number

1 six.

2 THE COURT: Let's deconstruct this particular
3 transaction, because the only testimony in regard to the
4 underlying source of this was Micki Thompson, who said there was
5 an invoice presented from a construction company. You then, the
6 government, specifically asked, did it come from Mr. Poff? And
7 her answer was, I don't know. How then is Mr. Poff implicated in
8 the creation of that particular document?

9 MS. VOGEL: Are you talking about the invoice?

10 THE COURT: Yes.

11 MS. VOGEL: The invoice from Marquin House Jobs, I
12 believe Ms. Thompson testified came from either the defendant or
13 his wife.

14 THE COURT: That is not what she said. She said, I
15 don't remember.

16 MS. VOGEL: Well, your Honor, I think that there is a
17 fair implication that because the lenders were deceived as to
18 where this money was really going -- The money really went to
19 the benefit of the defendant and his wife. That fact had to be
20 deceived from the lenders. In order to do that, Micki Thompson
21 testified she had to get false invoices and repair receipts.
22 That money was then transferred inter-escrow for the benefit of
23 Ms. Ikilikyan and the defendant for the purchase of property
24 number seven, which we will talk about in a moment, the defendant
25 was directly involved in. Now, if the defendant did not actually

1 himself cause this financial transaction by pushing the transfer
2 button, certainly he aided and abetted this financial
3 transaction.

4 THE COURT: What is troublesome here is your indictment
5 charges an inter-escrow transfer by Great American of funds
6 payable to Marquin House Jobs to this particular purpose, which
7 is the purchase and sale of 9488 Issaquah or 72703 South Puget
8 Sound. And I will agree with you that Ms. Thompson testified
9 that invoice was false. But if she doesn't know where she got
10 it, then how does that tie it to Mr. Poff, as opposed to anyone
11 else in the universe? He is a beneficiary of it, I agree. Under
12 what you just told me, you need to tie his contact -- his
13 involvement to that invoice.

14 MS. VOGEL: Your Honor, I respectfully suggest that what
15 we need to do is, we need to prove that the defendant or one of
16 his co-conspirators or co-schemers caused Micki Thompson to
17 transfer the money from one property towards the other.

18 Micki Thompson testified that she got her directions,
19 generally speaking, about how to move this money from the
20 defendant. She testified about meetings after closing where the
21 defendant would tell her what to do with the money.

22 We also had testimony from Ms. Ikilikyan, who specifically
23 remembered that some of the proceeds from the purchase of
24 property number six were used by she and the defendant to
25 purchase property number seven.

1 The universe of individuals, given all of that, who could
2 have possibly told Micki Thompson to transfer this money? And
3 that is the financial transaction, not the actual creation of the
4 invoice, which was just stuck in the file to make Micki
5 Thompson's books balance. It is the ordering of that financial
6 transaction, which came from Ms. Ikilikyan and this defendant,
7 and was used to purchase another property in their name. That is
8 committing or aiding and abetting the financial institution --
9 the financial transaction in question.

10 THE COURT: Does being in the universe of potential
11 people who are responsible satisfy your burden of proof?

12 MS. VOGEL: Your Honor, I think the testimony we have
13 heard that says, this is what they did, generally, and
14 specifically Ms. Ikilikyan saying, this is what we did to move
15 money from number six to number seven, does constitute -- does
16 meet our burden of proof. In addition to the fact that we
17 show -- Not only did Ms. Ikilikyan testify they did it, but the
18 financial investigation shows that is exactly what happened.

19 THE COURT: All right. I understand your theory.

20 MS. VOGEL: Finally, your Honor, the next money
21 laundering chart. We have, again, the \$1,779 check. This one
22 came from the purchase of property number eight by
23 Ms. Harutyunyan, and was credited towards the same property.

24 Property number six, as we have heard, was then refinanced
25 one month later. This involved this refinance. In connection

1 with this refinance, the defendant is charged with two
2 substantive counts, Count 4, bank fraud, and Count 28, wire
3 fraud, both of which correspond to the loan that the defendant
4 and his associates deceived National City Mortgage Company and
5 National City Bank, an FDIC-insured lender at the time, into
6 wiring interstate from National City Bank to Great American
7 Escrow for the benefit of the defendant.

8 And if you recall, this refinance was obtained through the
9 same lies on the loan applications as were in the original 1003
10 submitted to National City Bank in connection with the original
11 second mortgage on this property, specifically, and most notably,
12 including the defendant's intent to occupy the property and her
13 inflated income.

14 In fact, in connection with this one, if you recall, it
15 said that she had actually -- the 1003 said that Ms. Ikilikyan
16 had actually moved into the Issaquah property for a month before
17 applying for this refinance, which we know from the testimony
18 never happened.

19 Moving on to property number seven. In connection with this
20 property transaction, the defendant is charged with three
21 substantive counts of money laundering in addition to the
22 conspiracy. Now, these I think we have just covered, Counts 47
23 and 63. It is, again, the \$100,078 that was supposedly paid to
24 Marquin House Jobs, coming out of property number six, which is
25 applied towards the purchase of property number seven. That is

1 47 for promotion and 63 spending. Count 48, again, the smaller
2 check that came from property number eight and was applied
3 towards property seven.

4 The proof that the defendant committed these counts of money
5 laundering, in addition to what I just mention earlier, are,
6 first of all, the testimony of Ms. Ikilikyan that the defendant
7 directed this purchase. She testified we took that money from
8 Issaquah and we used it to buy Puget Sound.

9 We also have the testimony from William Stepp that it was the
10 defendant, I think he said when they were at the rifle range
11 shooting, who offered to take this property off his hands for
12 \$100,000.

13 Ms. Ikilikyan testified that the defendant came up with this
14 novel idea to increase the price in order to set up a resale,
15 artificially building equity into the property that actually
16 wasn't supported.

17 Finally, your Honor, we heard the testimony of Emil Anderson,
18 who testified it was the defendant, Mr. Poff, and Mr. Reyes that
19 he worked with, who were trying to refinance this property on
20 South Puget Sound Avenue in Tacoma. They were trying to get a
21 hard money loan out of it, but simply couldn't do it because
22 Mr. Poff couldn't come up with tax returns for Fidelis
23 Enterprises that were necessary.

24 Finally, this property was resold, as we see in property
25 transaction 7(a). This was resold to Tony Reyes' buyer for

1 \$60,000 more than they purchased it for. And those proceeds
2 which flowed into the property from the previous transaction then
3 flowed back out of the property when this property was resold.
4 And Mr. Poff's split was \$54,924. It was then wired interstate
5 from Great American Escrow at his request to the T&K Investments
6 account in Michigan.

7 It is that wire transfer of \$54,000 plus in proceeds
8 originating from the Issaquah transaction and flowing through
9 property number seven that constitutes money laundering Count 67,
10 a spending violation, representing the transfer of more than
11 \$10,000 in proceeds.

12 Finally, your Honor, property number eight. In connection
13 with property number eight, the defendant is charged with two
14 substantive counts, in addition to the conspiracies. Count 1 --
15 Excuse me. The first is one count of wire fraud, that is
16 Count 27.

17 This, again, corresponds to the two purchase loans the
18 defendant and his associates deceived Just Mortgage into lending,
19 the proceeds of which were wire transferred interstate to Great
20 American Escrow, to the benefit of the defendant and his
21 associates.

22 The second substantive count arising from this transaction is
23 Count 48. That, again, is that check for \$1,779.77, that was
24 applied toward the purchase of property number seven.

25 The fraud involved in this purchase, your Honor, included the

1 use of a straw buyer, once again, Ms. Harutyunyan, included lies
2 on loan applications, the same lies about Ms. Harutyunyan's
3 self-employment with Hay Computer Networking and Consulting, lies
4 about her assets, and specifically, more importantly, about her
5 intent to occupy the property.

6 This one also involved undisclosed seller financing, that is,
7 the \$305,000 note by the Kirkdoffers, and involves false HUD-1
8 settlement statements. For example, here, showing a \$120,000
9 buyer deposit that didn't exist.

10 The proof of the defendant's participation and intent to
11 deceive in connection with this transaction included
12 Ms. Ikilikyan's testimony that she and the defendant agreed to
13 buy this house because Tony Reyes wanted to live there.
14 Ms. Harutyunyan, of course, testified she had no idea about this
15 house, had never been there. And Micki Thompson corroborated
16 that it was Reyes who moved into this house.

17 In fact, Micki Thompson also testified to something
18 interesting, which is that she remembered using the \$120,000 that
19 came out of property number six, the Issaquah property, and
20 applying that \$120,000 towards the purchase of this property. Of
21 course, that \$120,000 was never actually applied to this
22 property, but she remembers the instructions, I think she
23 testified, instructing her to do so.

24 This loan, your Honor, was processed through America One
25 Finance. We heard from Emil Anderson, who told us the defendant

1 was always involved in the loans that this couple submitted
2 through America One Finance.

3 And we saw the seller financing agreements in this case, two
4 of them -- two different ones, in fact. Micki Thompson testified
5 that she got the seller financing agreement, or at least one of
6 them, from the defendant. And, of course, the seller carryback
7 was never disclosed to Just Mortgage. Micki Thompson further
8 testified that she and the defendant had a heated discussion
9 following this particular closing about where the money was
10 supposed to go.

11 And, your Honor, don't forget the testimony of Mike Edwards,
12 the supervisor at America One Finance. He testified that he had
13 a meeting with the defendant, Ms. Ikilikyan and Ms. Harutyunyan
14 specifically for the purpose of making sure that Ms. Harutyunyan
15 really was buying the property for her private residence. Now,
16 Ms. Edwards could not remember which property transaction that
17 had to do with, but he remembered it was a big one. He
18 remembered the defendant was actually and actively involved in
19 trying to convince him that Ms. Harutyunyan wasn't a straw buyer,
20 and that this was really going to be her house.

21 And, finally, in connection with this transaction, the
22 financial records show that the surplus in this case, which
23 amounted to more than \$212,000, went straight back to the benefit
24 of the defendant and his wife.

25 All of this fraud, your Honor, translated to a lot of money,

1 more than \$1.7 million we heard in deposits from Great American
2 Escrow alone, to accounts held by the defendant, his wife or her
3 mother. And that doesn't include all the funds that weren't
4 disbursed but were held in escrow and then applied towards other
5 purchases.

6 All that money paid for the defendant's housing, paid for his
7 nice truck, paid his utility bills and living expenses for three
8 and a half years, funded his charitable contributions, vacations
9 to Hawaii and even his child support obligations to his former
10 wife, despite his best efforts. The defendant didn't have
11 another job during this entire period. This was his job. This
12 was his livelihood. And it was good while it lasted.

13 Your Honor, it may well be that the defendant believed that
14 what he had stumbled across, this method for making a living off
15 buying properties, getting cash from closings, wasn't going to
16 cause any harm. It may well be that the defendant didn't intend
17 that these properties go into foreclosure, and didn't intend that
18 Mrs. Anderson and Ms. Kirkdoffer would lose hundreds of thousands
19 of dollars in their retirement. It may well be that the
20 defendant never considered that his quest for cash might ruin the
21 hard-earned credit for Tim Thomson.

22 The intent to deceive that is required here does not require
23 the intent to harm. Rather, it means the intent to use lies and
24 deception to obtain money or property. And clearly, in
25 connection with these eight property transactions, the evidence

1 has established the defendant and his associates acted over and
2 over again with exactly that intent.

3 Your Honor, I submit that the evidence introduced at trial
4 has established beyond a reasonable doubt that the defendant
5 conspired and schemed to defraud the lenders out of these loan
6 proceeds, used interstate wire to accomplish that scheme, and
7 then used some of the profits from that scheme to commit new and
8 further fraud, and specifically designed some of those
9 transactions to conceal their illegal source and ownership.
10 Accordingly, we ask that the Court find the defendant guilty on
11 all 30 counts.

12 THE COURT: Thank you. Mr. Poff, do you want to take a
13 short break, or do you want to get started?

14 THE DEFENDANT: We can take a short break, your Honor.

15 THE COURT: Ladies and gentlemen, we usually take our
16 break at 10:30, but we will take it a little earlier, since this
17 is a convenient time to do so. We will be in recess for 10, 12
18 minutes, and be back out at that time.

19 (At this time a short break was taken.)

20 THE COURT: Mr. Poff.

21 THE DEFENDANT: Good morning, your Honor.

22 THE COURT: Good morning.

23 THE DEFENDANT: I am William Stuart Poff, claimed
24 alleged defendant. This is my closing statement to this
25 honorable court.

1 The evidence did show there was a conspiracy to commit fraud.
2 The evidence did show that William S. Poff was a victim of that
3 fraud. There is enough reasonable doubt in this instant case to
4 sink a battleship.

5 The evidence did show that William S. Poff was not a part of
6 said conspiracy to commit fraud.

7 The evidence did show that William S. Poff was advised by
8 legal counsel, and licensed professionals, every step of the way,
9 and that everything was legitimate and above board.

10 The evidence did show that William S. Poff was not a licensed
11 real estate agent, licensed real estate broker, nor was he a
12 licensed loan officer or mortgage broker.

13 The evidence did show that William S. Poff, prior to his
14 divorce, did not ever receive funds from any of the listed
15 transactions.

16 The evidence did show that Poff was not on the Washington
17 Mutual bank account ending in 3135, which belonged to
18 Ms. Ikilikyan.

19 The evidence did show that Poff did not have an ATM card, a
20 debit card, a checkbook or signatory authority on the
21 aforementioned Washington Mutual account belonging to
22 Ms. Ikilikyan.

23 The evidence did show that Poff did not directly benefit from
24 Ms. Ikilikyan's WaMu account. There have been a few checks, at
25 best, which would be a total of .64 percent of the total funds

1 which were deposited in that account over a three and
2 three-quarters year's period. The chart doesn't even show the
3 cash that was paid back for those accounts.

4 The evidence did show that Poff was a notary, who often
5 authenticated signatures on documents recorded into public
6 records for the entire world to see.

7 The evidence did show Ikilikyan had her office in her private
8 home.

9 The evidence did show that the personal phone lines of that
10 home were used for personal and private use.

11 The evidence did show that Poff, trying to be a helpful
12 husband, would assist Ms. Ikilikyan around the home in business,
13 faxing documents, couriering documents, forwarding e-mails and
14 whatever else was needed to lawfully help his wife at the time.

15 The evidence did show that Poff's name was repeatedly forged,
16 and that documents were fabricated purporting to have Mr. Poff's
17 name on them. Ms. Ikilikyan and William S. Poff sought
18 permission from Section 8 housing for Ikilikyan's mother,
19 Armenuhi Harutyunyan, to buy houses using her credit.

20 The evidence did show Ms. Ikilikyan negotiated the real
21 estate transactions for nearly all the properties.

22 The evidence did show that Ikilikyan did, in fact, lie on the
23 stand in regards to her level of understanding in the mortgage
24 industry.

25 The evidence did show that Ikilikyan distanced herself from

1 the financial side of the transactions due to gross negligence
2 and fraud within the loan paperwork.

3 The evidence did show that Ikilikyan again lied on the stand
4 and totally blamed William S. Poff for all the mortgage
5 transactions.

6 The evidence did show that all 1003 loan applications had her
7 as the loan officer, except for her own loans, where the 1003s
8 had the forged signature of Bill Poff on them. And that is the
9 only place where Bill Poff appears in the evidence on the loan
10 applications.

11 The evidence did show that Poff was never contracted by any
12 mortgage or real estate broker.

13 The evidence did show that Ikilikyan testified to filling out
14 a loan officer application to the State of Washington for William
15 S. Poff to continue using his name.

16 The evidence did show that Ms. Ikilikyan gave up on the idea
17 of getting Poff licensed, and continued using his name, so she
18 subcontracted with America One Financing shortly thereafter.

19 The evidence did show there is an assumption of guilt by
20 association by the mere fact of William S. Poff being previously
21 married to Ms. Ikilikyan.

22 The evidence did show Ms. Ikilikyan continued
23 self-sufficiently in the fraud after Poff had left for Michigan.

24 The evidence did show that Ikilikyan had experience and
25 formal training in the real estate and lending industry, whereas

1 William S. Poff did not.

2 The evidence did show the tragic loss of sellers holding a
3 secured interest in a seller carryback, were severely damaged by
4 banks and mortgage companies stealing the subject properties in
5 fraudulent foreclosure processes.

6 The evidence did show that Ikilikyan and Micki Thompson pled
7 guilty to fraud. Fraud equates to lying. Both individuals lied
8 on the stand in an attempt to appease the plaintiffs for a
9 possible reduced sentence. Ms. Thompson acted like she didn't
10 even know why she was on the stand, or about any 5K reduction --
11 possible reduction. Perhaps she was trying to be the proverbial
12 Good Samaritan. We will never know since she did not testify to
13 that fact.

14 The evidence did show that William S. Poff was never on the
15 real estate or loan, LLC companies, and was only on the property
16 holdings LLC as a result of a divorce order.

17 The evidence did show that Ms. Ikilikyan did locate other
18 prospective investors with good credit.

19 The evidence did show that Ms. Ikilikyan concealed her
20 business records that she was required to keep by state law from
21 the government, and Ms. Ikilikyan also had several computer
22 systems which would have had exculpatory evidence towards
23 William S. Poff as reported to the Federal Way Police Department.

24 The evidence did show William S. Poff did not receive money
25 of the items -- I'm sorry, did not receive many of the items

1 ordered from his dissolution from Ms. Ikilikyan, including the
2 F350 truck.

3 The evidence did show that Ms. Ikilikyan did have sole
4 control of all property, accounts and vehicles in her name, and
5 exemplified by the deceit of noncompliance with another court.

6 The evidence did show that William S. Poff left Washington
7 State with only what he could carry on a plane, and that he
8 hadn't been back to the state until the June 17th arraignment in
9 this instant case.

10 The evidence did show that Poff literally lives in a spare
11 room of his friend's house, all while Ikilikyan lives in a
12 6000-square-foot lakefront property. The disparity between the
13 unequal situation needs little more comment.

14 The evidence did show that Ikilikyan was very much coached by
15 the government, and had a near perfect knowledge on how to answer
16 their questions, while when questioned by the defense did not
17 know how to fill out a loan application as a licensed loan
18 officer and a licensed mortgage broker, and seemingly did not
19 have the personal authority or knowledge to tie her own shoes
20 without Poff's consultation and permission. Then she again goes
21 back to answering the government questions with a great degree of
22 knowledge base when she was cross-examined by the plaintiffs
23 again.

24 The evidence did show Ms. Ikilikyan is in fact a bad actor
25 and a liar.

1 The evidence did show that Ms. Ikilikyan admitted to forging
2 her mother's name repeatedly.

3 The evidence did show that the filings, motions and pleadings
4 of William S. Poff were filed as affidavits. These affidavits
5 were never actually answered via an affidavit, in a
6 point-for-point controverted format, and are deemed true and
7 correct, admitted into the record as evidence. It is a legal
8 impossibility for the plaintiffs to prevail on any merit, if all
9 my pleadings are by default true and correct on the record.

10 The evidence did show Ms. Ikilikyan had access to her
11 attorneys, January Gossing and Brian Hallaq, at all times for
12 guidance.

13 The evidence did show at the first breach of due process all
14 jurisdiction should have ceased. The first incident was the
15 magistrate practicing law from the bench at the June 17th
16 arraignment, where a plea of not guilty was entered on behalf of
17 William S. Poff, when in fact William S. Poff had given no one
18 permission to speak on his behalf.

19 The evidence did show that Dan Truini assumed Poff did loans,
20 but never actually witnessed him submit or process one, or even
21 close a loan. The evidence did show that Mr. Truini was paid for
22 his broker fee by Ms. Ikilikyan.

23 The evidence did show that Ms. Ikilikyan had control of the
24 loan files, and still does, and would not hand over the files to
25 Mr. Truini until she had a brokers agreement with him.

1 The evidence did show that Ms. Ikilikyan possessed knowledge
2 about the mortgage industry when she spoke with James Thomson.
3 The evidence did show that Mr. Thomson believed Ms. Ikilikyan to
4 be in charge.

5 The evidence did show some lenders had little concern over
6 what was stated for income, and one lender even changed the
7 income to suit their criteria for sale on the secondary market.

8 The evidence did show that the only lender/account rep that
9 Poff had a good rapport with was called as a witness, which was
10 Ms. Senath Sands, who was often put on the phone with Mr. Poff to
11 get things sped up, due to the good rapport between Ms. Sands and
12 Mr. Poff.

13 The evidence did show that Emil Anderson stated Ikilikyan was
14 the one who mostly sent in the loans.

15 The evidence did show that Mike Edwards stated Ikilikyan did
16 seem very knowledgeable about the mortgage industry.

17 The evidence did show the testimony of Ms. Becky Carnell only
18 took into account the banks and the documents given to her by the
19 government, and does not reflect any cash transactions that
20 Mr. William S. Poff may have been involved in.

21 The evidence did show Ikilikyan's total deposits from
22 January 1st, 2005 to August 29th, 2008, to be \$3,409,320.09.
23 Nowhere was her income overstated from what was placed into
24 evidence. The average of those funds over that three and
25 three-quarter year period would average to \$75,000 per month.

1 The evidence did show Ms. Carnell's financial analysis did
2 not show actual profits, as the term is needed by the U.S.
3 Supreme Court in a money laundering charge.

4 The evidence did show that Ms. Carnell's charts and graphs do
5 not show what is being alleged as a meaningful benefit to William
6 S. Poff. On the contrary, Poff purports to have an approximate
7 \$20,000 incidental benefit over the three and three-quarter year
8 period.

9 The evidence did show that Ms. Carnell did not do a cash
10 analysis to see if those incidental funds going to Mr. Poff were
11 paid back into the Washington Mutual account.

12 The evidence did show a pro per litigant does not have equal
13 footing in this court.

14 The evidence did show that Mr. Poff was not a part of the
15 scheme or conspiracy. The only thing Poff is guilty of is being
16 married to an adulterous woman, who routinely uses deception,
17 lies and fraud to get what she wants.

18 The evidence did show the required elements to sustain a
19 victory on conspiracy were not met. Only the untrue testimony of
20 alleged co-defendants claimed Poff had anything to do with the
21 proposed scheme.

22 The evidence did show the plaintiff's theory alleging Poff's
23 involvement has many serious flaws on its face. Their theory is
24 unable to overcome the untrue testimony of witnesses whom lied
25 when they alleged to verify the veracity of copied documents.

1 The evidence did show nonoriginal documents are being allowed
2 into evidence to determine the outcome of this case. Such
3 documentation is extremely prejudicial, when it was proven in
4 open court that many signatures of William S. Poff were forged,
5 and many documents were utterly manufactured. That brings
6 reasonable doubt upon anything entered into evidence that is not
7 original.

8 The evidence did show that the legal maxim, *Ex dolo malo non*
9 *oritur actio*, that I had spoke about in my opening statements,
10 out of fraud arises no action, still holds true. The fraud
11 perpetrated against William S. Poff in this instant case cannot
12 sustain a conviction in this honorable court.

13 The evidence did show none of the specific crimes enumerated
14 in the Constitution that Congress has a right to prosecute were
15 ever violated. This is highlighted by Supreme Court Judge John
16 Marshall in *Cohens v. Virginia*, that Congress cannot punish
17 felonies generally.

18 The evidence did show that Rule 1003, in regards to the
19 documents, a copy should not be admitted if it would be deemed
20 unfair. It would also stand to reason, any copies in question
21 should not be given any weight in favor of the plaintiff's
22 arguments, specifically after the discovery of fraud and
23 forgeries in the documentation during the trial.

24 The evidence did show that profits need to be calculated and
25 applied to this case according to the Supreme Court case in

1 Santos.

2 The evidence did show the presumed interstate commerce and
3 the wire transfers most of the times went from one point in
4 Washington State to another point in Washington State.

5 The evidence did show that the presumed e-mails, alleging
6 Poff to have sent them to different people, was a shared account
7 in Ms. Ikilikyan's name, with no way to verify who sent anything,
8 regardless of the e-mails themselves.

9 The evidence did show that William S. Poff did nothing wrong
10 to his knowledge, and had no knowledge of any criminal
11 conspiracy.

12 The evidence did show that Ikilikyan and Thompson had direct
13 contact with each other during the one-and-a-half years that
14 Mr. William S. Poff was out of state. They obviously conspired
15 and fabricated a story to minimize their involvement, and direct
16 the blame towards other alleged co-defendants.

17 The evidence did show, out of the many transactions listed in
18 the original indictment, the government only chose to pursue
19 those counts that had an incidental occurrence of Mr. William S.
20 Poff's name, in both evidence and the witnesses.

21 The evidence did show that few witnesses specified who they
22 dealt with. Much of the testimony from witnesses would be, Bill
23 and Alexis this, or Bill and Alexis that, "them" or "they." This
24 would not be abnormal for someone who has a home office.

25 The evidence did show several transactions occurred after

1 Mr. Poff left Washington to live in Michigan, particularly the
2 Puget Sound property, which is on the chart.

3 The evidence did show, just because the name William S. Poff
4 is typed on a document doesn't mean he had anything to do with
5 the document or that he did anything purporting to be illegal.

6 The evidence did show the government witnesses always said
7 "them" or "they" or "Bill and Alexis."

8 The evidence did show that the monies from the divorce were
9 awarded by a court order. There was not just a division of
10 community property, but also personal property in the dissolution
11 before that court.

12 Your Honor, I am a Marine veteran who took an oath to support
13 and defend the Constitution of this great country. I have had
14 friends, who are better men than I, who gave the ultimate
15 sacrifice to uphold that same oath that we had both took. I am
16 the belligerent claimant in personam, who is respectfully
17 demanding his constitutional rights be honored in their entirety.

18 The only thing that makes that Constitution a valuable
19 document is an American, such as I, standing here demanding his
20 rights. It also takes an honorable judge, which is you, who is
21 willing to uphold his oath of office and drop that hammer in
22 favor of my constitutional rights. Without either one of those
23 two elements, that document isn't worth spit, and all the
24 sacrifice through America's generations of brave men was in vain.
25 Thank you, your Honor.

1 THE COURT: Thank you, Mr. Poff. Rebuttal from the
2 government.

3 MS. VOGEL: Your Honor, the defendant argues that he was
4 advised by legal professionals that everything was, I think the
5 words he used, "above board." There are several problems with
6 that argument. First, there is very little actually in evidence
7 about this, notwithstanding the defendant's argument.

8 There was some testimony on cross-examination that somebody
9 at Great American Escrow might have looked at one of these seller
10 financing agreements, and might have said, yes, you could
11 separate out these two transactions if you waited a few days.
12 But whoever that person was, was not given the full picture, as
13 Ms. Ikilikyan clearly testified. Whoever that person was, wasn't
14 told about the fake entries in the HUD-1s to disguise the money
15 that didn't exist, as seller deposits, or that was going back out
16 to the defendant and his wife. He wasn't told that the sellers
17 who were extending the carrybacks were deceived about the nature
18 of their note. He wasn't given the full picture, if he was given
19 any picture at all. Plainly, because the people who consulted
20 with him, if they did, knew that it wouldn't pass muster, the
21 full picture wouldn't.

22 The defendant also pointed to this conversation with the King
23 County Housing Authority as some sort of authority for using
24 Ms. Harutyunyan as a straw buyer. While the King County Housing
25 Authority may have said, well, if she doesn't earn any income, we

1 are not going to kick her out of housing, this isn't obtaining
2 consent from the lenders to falsely represent that
3 Ms. Harutyunyan was the borrower when she wasn't. This isn't the
4 equivalent of obtaining permission from the lenders to lie about
5 Ms. Harutyunyan's financial qualifications and intent to occupy
6 the property.

7 And all of this is irrelevant anyway, because the law does
8 not require the government to prove that the defendant willfully
9 deceived. We don't have to prove that he violated known legal
10 duties. We simply have to prove that he intended to defraud,
11 that he used lies and deceit to obtain money and property.

12 And we have shown, regardless of what was told to him, if it
13 was told to him, about this seller financing agreement, the
14 things that he and his conspirators caused the lenders to
15 believe, for example, Tim Thomson having a landscaping business
16 that never existed, Armenuhi Harutyunyan owning a very profitable
17 computer company, were simply not true. And that's how the
18 defendant obtained the money.

19 Can we put up Exhibit 229? 215. I apologize. Yesterday in
20 connection with the handwriting expert we heard testimony that
21 this very document had been submitted by the defense to
22 Ms. McFarland as an exemplar, an example of the defendant's
23 genuine signature. This genuine signature purports to certify a
24 promissory note between Ms. Ikilikyan and Tim Thomson that
25 Ms. Ikilikyan testified never existed, and which Tim Thomson

1 testified never existed.

2 There are a lot of forgeries apparently in this case, your
3 Honor. It is the government's position that the defendant and
4 his associates were responsible for these forgeries, and used
5 these forgeries, like this promissory note here, to hide the
6 trail of the proceeds and to deceive the lenders and the sellers.

7 The defendant also argued that these statements about
8 Ms. Ikilikyan's income from Fidelis Enterprises wasn't a false
9 statement. And I would just point out Ms. Ikilikyan herself
10 testified that she did have some legitimate commissions that
11 could have been included as her legitimate income on those 1003s
12 in her name. But we know from the financial analysis that that
13 was a pittance. I think there was less than \$30,000 over three
14 and a half years that came in from Dove Realty in the form of
15 commissions that were deposited into Ms. Ikilikyan's accounts.

16 Fidelis, on the other hand, was a straw company set up for
17 the specific purpose to support stated income loans. And as John
18 Darcy from Ownit made clear, taking money that you borrow from
19 one lender, depositing it into your account and claiming it as
20 income, is not income in the way that the lenders see it.

21 Your Honor, the defendant has testified -- has argued that
22 everybody that says he did it was lying. Now, obviously
23 Ms. Ikilikyan and Ms. Thompson have an incentive to testify.
24 Certainly it was not fun for either of them. Obviously the Court
25 has to look at their testimony carefully. But I would first

1 point out there were several people who testified the defendant
2 himself was involved in these transactions who have no such
3 incentive to lie, and whose testimony the defendant appears to
4 have completely overlooked.

5 With regard to Ms. Ikilikyan, she admitted she conducted this
6 fraud. She admitted she lied. She admitted being a full
7 participant. She knew the details of the real estate side in and
8 out, and she admitted all that. Having admitted all that, what
9 is the point of pretending, if Mr. Poff's argument is to be taken
10 seriously, that she didn't understand the money? If you have
11 admitted you have already done it all, why pretend or feign
12 complete lack of sophistication when it comes to how the money
13 was transferred around, and how the loans were obtained? It
14 simply doesn't make sense.

15 Similarly with Micki Thompson. Micki Thompson was not a
16 particularly good witness. She didn't remember half the things
17 we hoped she would remember. She didn't get any money out of
18 this. She got maybe a total of \$20,000, total. Having done all
19 this, and being convicted of a crime for a total of \$20,000, is
20 it really the defendant's contention that she is in a conspiracy
21 with Ms. Ikilikyan after the fact to frame Mr. Poff? It just
22 doesn't make sense.

23 Your Honor, the government contends, just as the defendant
24 worked very hard to hide assets from his former wife, he is now
25 trying very hard to hide what he did with his second wife. In

1 particular, he is trying to hide behind his ex-wife's licenses,
2 he is trying to hide behind his ex-wife's bank account, and he is
3 trying to hide behind his ex-wife's mother-in-law.

4 The United States submits he is guilty of these offenses and
5 should so be convicted.

6 THE COURT: Thank you, counsel. Counsel, over the last
7 eight days I have tried to keep extensive notes. I have
8 certainly had occasion to plow through the five notebooks of
9 exhibits.

10 As I suspect was evidenced in my questions of the government
11 as part of their closing argument, I have taken the elements of
12 each of the alleged violations and matched them against the
13 testimony that I have heard. In doing that, I have multiple
14 checklists of proof of various elements. I have worked on that
15 further this morning as a consequence of listening to your
16 closing arguments. And, therefore, it is my intention to at this
17 time give you the opinion of the Court in this matter.

18 The Court asked both parties if they wish to exercise their
19 rights under Federal Rule of Criminal Procedure 23(c), to require
20 specific Findings of Fact in a criminal trial conducted to the
21 court. On the record, neither party requested such specific
22 findings. Therefore, remarks today will be more general than
23 specific to each element in each transaction.

24 When I wrote this out last night, little did I know that I
25 would find myself quoting Mr. Poff this morning. What I wrote

1 was, "The Court finds there is, at most, a limited dispute that
2 in the eight transactions at issue in this lawsuit, there was
3 conduct constituting bank fraud, wire fraud, money laundering and
4 conspiracy to commit these crimes." What is more at issue is the
5 question of Defendant Poff's role in the transactions. I guess I
6 am happy to know I got at least that issue right.

7 Mr. Poff portrays himself as a largely uninvolved individual,
8 who was acting at the instruction of his former spouse, Alexis
9 Ikilikyan. Ms. Ikilikyan and other defendants in this matter
10 allege that Mr. Poff played a substantial role in the
11 transactions.

12 The Court find that Mr. Poff understates his role in the
13 transactions, and that Ms. Ikilikyan overstates Mr. Poff's role,
14 and understates her role.

15 It is a dilemma for any fact finder to attempt to examine
16 events which occurred in the past, when the testimony of the
17 parties, or in this instance the testimony of the government's
18 witnesses, and the questions asked by Mr. Poff, and the positions
19 taken by Mr. Poff in his pleadings, sharply contradict each
20 other. Customarily, at least in my experience, fact finders tend
21 to base their determinations on the testimony of independent
22 witnesses who have no financial or liberty interest at stake.

23 The court has engaged in the same analysis, and the court
24 bases its determinations on the testimony and the exhibits
25 admitted during the multi-day trial. The court principally

1 relies on the testimony of the non-party witnesses, and the
2 exhibits executed contemporaneously with the transactions at
3 issue.

4 I will tell you that, in particular, I found the testimony of
5 the following witnesses to be notable: That would include Dan
6 Truini, John Darcy, Sarah Garner, Jim Thomson, Tim Thomson, John
7 Andriolo, Senath Sands, Maureen O'Connell, Linda Crocker, Emil
8 Anderson, Susan Donaldson, Mike Edwards, Kimberly Gans, Virginia
9 Munger, Sharon Kirkdoffer and William Kim.

10 There were other witnesses who were directly involved in the
11 transactions, and the court credits some of their testimony, and
12 finds other parts of their testimony not persuasive.

13 In addition, there were some witnesses called who examined
14 facts that occurred or issues that were not contemporaneous, and
15 I credited some of their testimony, and found other parts of it
16 less persuasive.

17 As its only witness the defense called Hannah McFarland as a
18 handwriting expert. The defense in this criminal trial is under
19 no obligation to prove anything; it is the government that bears
20 the burden of proof.

21 Ms. McFarland examined ten exemplars of various forms of
22 Mr. Poff's signature, and compared them to what I think were 21
23 alleged signatures of Mr. Poff. While the court expresses some
24 skepticism concerning the decision not to provide Ms. McFarland
25 any examples of Bill Poff, or to explore the legal consequences

1 of signing a document in a form different than the document has
2 been filled out, the decision to provide no samples of Bill Poff,
3 as opposed to what Mr. Poff described as his, quote, payroll
4 signature, William S. Poff, the court is persuaded that some of
5 the challenged signatures are not genuine.

6 The issue, however, is if the forged signatures affect any of
7 the documents supporting the criminal charges in this action.
8 The defense had the opportunity, and received funds to support
9 the investigation, to look at other documents that do support the
10 criminal charges, and determine if those signatures were false.

11 The court finds that the forged signatures do not affect the
12 documents supporting the criminal charges. Some of the exhibits
13 pertain to transactions not at issue in the trial. I believe one
14 of those is the Sandpoint Way property.

15 Other exhibits pertain to quitclaims of property from
16 Mr. Poff to Ms. Ikilikyan, which occurred after the conduct that
17 supports the criminal charges in this matter.

18 The court is unwilling to discredit all of the signatures
19 presented at trial on the basis of the limited number of
20 signatures challenged at trial.

21 The court also reaffirms its ruling under Evidence Rule 1003
22 in regards to the use of copies of documents.

23 Having given weight to those witnesses and exhibits, which
24 the court finds to be credible, and having heard all of the
25 testimony in this matter, and read all of the pleadings, and

1 having listened to now eight days of trial, the court finds
2 defendant, William S. Poff, guilty beyond a reasonable doubt of
3 the following counts charged in the first superseding indictment:
4 Conspiracy counts of 1 and 31, the bank fraud counts of 3 and 4,
5 the wire fraud counts of 11, 12, 13, 15, 20, 21, 23, 25, 26, 27
6 and 28.

7 The area of money laundering is subject to a conundrum that
8 only a law professor could love. The unclear majority opinion in
9 Santos has been interpreted by the Ninth Circuit. I believe that
10 the original jury instruction that sets forth the elements of
11 money laundering correctly states the law.

12 While I do not believe in Count 47 there was testimony that
13 Mr. Poff was the source of that particular invoice, I do believe
14 that the conduct of the entire transaction does support the money
15 laundering charge, and, therefore, I find Mr. Poff guilty beyond
16 a reasonable doubt in money laundering charges of 36 -- contained
17 in the indictment as Counts 36, 40, 41, 43, 44, 46, 47, 48, 54,
18 57, 58, 60, 62, 63 and 67.

19 Mr. Poff shall remain on supervised release subject to the
20 current terms of his bond.

21 Madam Clerk, do we have a date for sentencing?

22 THE CLERK: Monday, June 14th at 9:45.

23 THE COURT: At this time I will ask each counsel if they
24 have anything further before we recess? Anything from the
25 government?

1 MS. VOGEL: No, your Honor.

2 THE COURT: Mr. Poff?

3 THE DEFENDANT: Nothing, your Honor.

4 THE COURT: All right. Counsel, thank you. I
5 appreciate the courtesy with which this matter has proceeded.
6 Mr. Poff, you are to be congratulated on being able to constrain
7 your very strong feelings. I had some concerns when Tim Thomson
8 was testifying that he was not going to follow that same
9 standard, but I am glad to see that he was able to get it under
10 control.

11 Counsel, we will be in recess.

12 (Adjourned)

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CERTIFICATE

I, Barry L. Fanning, Official Court Reporter, do hereby
certify that the foregoing transcript is true and correct.

S/Barry L. Fanning

Barry L. Fanning